

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Ninth Quadrennial Review of Military Compensation

Under the provisions of section 1008(b) of title 37, United States Code, every 4 years the President must direct a complete review of the principles and concepts of the compensation system for members of the uniformed services. You shall be my Executive Agent for this review, consulting with me and my other senior advisors as required.

The past decade has been a time of dynamic change for our military. We achieved dramatic victories in the Persian Gulf and Kosovo, performed peacekeeping missions around the world, and completed a significant downsizing of our military forces. As the major superpower, we have maintained global commitments even as our forces have been reduced. Although our military compensation system remains competitive, enabling us to recruit and retain enough dedicated men and women to achieve the highest quality uniformed forces in the Nation's history, the restructuring of our military forces presents certain challenges. I have asked our smaller military to work even harder and therefore want to ensure that the compensation of military members is fair and effective as we enter the 21st century.

To that end, I have proposed significant enhancements to the compensation system in the FY 2000 budget. These changes include an across-the-board pay raise for all military members; reforms to the military retirement system; and a targeted pay increase for noncommissioned officers and mid-grade officers who gained the skills, education, and experience so valued by our thriving private sector.

The Ninth Quadrennial Review of Military Compensation should encompass a strategic review of the military compensation and benefits system, veterans benefits and services provided by the Department of Veterans Affairs, and other Federal entitlements directly affecting military members. The review should assess

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the effectiveness of current military compensation and benefits in recruiting and retaining a high-quality force in light of changing demographics, a dynamic economy, and the new military strategy. As Executive Agent, you shall ensure that representatives of other executive branch agencies participate in this review as appropriate.

I look forward to reviewing your progress in this important undertaking.

*William J. Clinton*